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## **SOUTHEAST ASIAN REGIONALISM AND CHINA'S SOFT POWER STRATEGY IN A GLOBAL AGE<sup>1</sup>**

*This article examines Southeast Asian regionalism amidst globalization in the context of China's soft power strategy in the region. This article contends that its model of regionalism allows Southeast Asia to cope with the challenges of globalization and provides countries in the region a louder and collective voice when dealing with major powers like China. While there seems to be a convergence of Southeast Asian regionalism and China's use of soft power, this article identifies some pitfalls that limit the luster of China's soft power appeal in the region.*

**Keywords:** Southeast Asia, Regionalism, China, Soft Power

### **Introduction**

Though the 21<sup>st</sup> century has been described as the age of globalization,<sup>2</sup> regions have become important objects of study and analysis in contemporary international relations. Western authors argue that "regions are now more salient features of international politics."<sup>3</sup> Even mainland Chinese scholars recognize the significance of regional studies in the peaceful development efforts of the People's Republic of China (PRC).<sup>4</sup>

Among the regions of the world, Southeast Asia has attracted global attention because of its unique brand of regionalism. The region is also vital for China's security not only because of geographic proximity but also due to various strategic issues that matter to the national interests of PRC like the South China Sea disputes, the Taiwan Conflict, maritime security concerns and major power rivalries. Southeast Asian model of regionalism has also made it one of the major subjects of scholarly studies and policy-

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<sup>1</sup> This article is an updated version of a paper presented at the international conference on *Globalization and East Asian Regionalism: Cooperation and Conflict*, organized by the Institute of Southeast Asian Studies, Jinan University at Guangzhou, China on March 28, 2009.

<sup>2</sup> See John Baylis and Steve Smith (Eds.), *The Globalization of World Politics: An Introduction to International Relations*, 2<sup>nd</sup> Edition (New York: Oxford University Press, Inc., 2001).

<sup>3</sup> David A. Lake and Patrick M. Morgan (Eds.), *Regional Orders: Building Security in a New World* (Pennsylvania: The Pennsylvania State University Press, 1997), p. 6. Also see Barry Buzan and Ole Waever, *Regions and Powers: The Structure of International Security* (Cambridge: Cambridge University Press, 2003) and Emmanuel Adler and Michael Barnett (Eds.), *Security Communities* (Cambridge: Cambridge University Press, 1998).

<sup>4</sup> Major universities in China already have international relations programs that include regional studies. The Beijing-based Chinese Academy of Social Science (CASS), for example, has the Center for Regional Security Studies. See [http://iaps.cass.cn/english/Centers/show\\_center.asp?assort=CRSS](http://iaps.cass.cn/english/Centers/show_center.asp?assort=CRSS). Many Chinese scholars have already released various publications on regional studies, particularly on Southeast Asia, but most of these publications are in Mandarin).

making debates in China.<sup>5</sup> It is even perceived that “Southeast Asia is the area of the world where China’s use of soft power has been most significant.”<sup>6</sup> China has, in fact, embraced Southeast Asian regionalism as it pursues its soft power strategy.

This article therefore examines Southeast Asian regionalism amidst globalization in the context of China’s soft power strategy in the region. This article contends that its model of regionalism allows Southeast Asia to cope with the challenges of globalization and provides countries in the region a louder and collective voice when dealing with major powers like China. While there seems to be a convergence of Southeast Asian regionalism and China’s use of soft power, this article identifies some pitfalls that limit the luster of China’s soft power appeal in the region.

### **Southeast Asian Regionalism In A Global Age**

Southeast Asia is well-known for its brand of regionalism that upholds the practice of intense dialogues and exhausting consultations to generate consensus on contentious issues facing the region. Invented by the five founding fathers of the Association of Southeast Asian Nations (ASEAN), this type of regionalism, honed by a long process of leaders’ socialization and inter-state interaction, encourages all ASEAN members to cooperate on non-contentious areas through informal and incremental approach initially mandated by the Bangkok Declaration of 1967.<sup>7</sup> At the heart of this regionalism called the ASEAN-way is the cardinal principle of non-interference in the domestic affairs of member states guaranteed by the 1976 Treaty of Amity and Cooperation (TAC) in Southeast Asia. Though the ASEAN Way of non-interference has been criticized for its limitations to actually resolve inter-state disputes in the region,<sup>8</sup> particularly the alleviation of human insecurities in a state ruled by a brutal regime,<sup>9</sup> ASEAN has, nonetheless, prevented the occurrence of inter-state military confrontations that can incite regional instabilities. Since 1967, no ASEAN member has used military force against fellow ASEAN because of its own pacific settlement of regional disputes. This prompted security analysts to describe ASEAN as a security community in Southeast Asia.<sup>10</sup>

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<sup>5</sup>For an excellent reference on Southeast Asian studies in China, see Saw Swee-Hock and John Wong (Eds.), *Southeast Asian Studies in China* (Singapore: Institute of Southeast Asian Studies, 2007).

<sup>6</sup>Carola McGiffert, *China’s Soft Power and Its Implications for the United States: Competition and Cooperation in the Developing World* (Washington DC: Center for Strategic and International Studies, 2009), p. v.

<sup>7</sup>For an insider’s account of the evolution and development of ASEAN, see Rodolfo C. Severino, *Southeast Asia in Search of an ASEAN Community: Insights from the former ASEAN Secretary General* (Singapore: Institute of Southeast Asian Studies, 2006). For an excellent analysis of ASEAN during its earlier years, see Frank Frost, “ASEAN Since 1967: Origins, Evolution and Recent Developments” in Alison Broinowski (Ed), *ASEAN into the 1990s* (London: Macmillan, 1990).

<sup>8</sup>For a good discussion on the shortcomings of the ASEAN Way, see Shaun Narine, “ASEAN and the ARF: The Limits of the ASEAN Way”, *Asian Survey*, Vol. 37, No. 10 (October 1997), pp. 961-978.

<sup>9</sup>See Kay Moller, “Cambodia and Burma: The ASEAN Way Ends Here”, *Asian Survey*, Vol. 38, No. 12 (December 1998), pp. 1087-1104.

<sup>10</sup>See for example Nicholas Khoo, “Deconstructing the ASEAN Security Community: A Review Essay”, *International Relations of the Asia Pacific*, Vol. 4, No. 1 (February 2004), pp. 35-46; Amitav Acharya, “A Regional Security Community in Southeast Asia” in his *Regionalism and Multilateralism: Essays on Cooperative Security in the Asia Pacific* (Singapore: Eastern University Press by Marshall Cavendish, 2003), pp. 152-184; Michael Leifer, “ASEAN as a Model of a Security Community in, Soesastro, Hadi

Despite some limitations of ASEAN as a model of regionalism,<sup>11</sup> the ASEAN Way remains at the core of security cooperation and conflict management in Southeast Asia to date. The ASEAN Way continues to serve as the overarching principle of regional security cooperation and dispute settlement in the region.<sup>12</sup> Through the ASEAN regionalism, the association improved the security relations not only among its members but also with ASEAN's dialogue partners. It even encouraged other Southeast Asian states to join ASEAN to take advantage of the opportunities of regional cooperation. ASEAN admitted Brunei as a new member on 7 January 1984 and other Southeast Asian states followed suit afterwards. Though ASEAN was challenged by the aftermath of communist victories in Indochina in 1975, the association strongly waged a vigorous diplomatic campaign to manage the problem, particularly the refugee issue. ASEAN also faced the challenge of Vietnamese invasion of Cambodia. But ASEAN used its diplomatic skills to address this challenge by sponsoring series of dialogues hailed as the hallmark of ASEAN regionalism. ASEAN's success in managing the problem in Indochina received extensive international recognition. This made some scholars to describe ASEAN as "the third world's most successful experiment in regionalism" and a "diplomatic player capable of intervening on major issue of regional security."<sup>13</sup> The success of ASEAN to promote regional security amidst tensions in the Indochina encouraged the eventual enlargement of the association in the 1990s.<sup>14</sup> To date, all Southeast Asian states, except the newly-proclaimed state of East Timor, are ASEAN members.

The enlargement of ASEAN as a community of ten Southeast Asian states occurred in the midst of unprecedented growth of the region's economies in the 1990s. It was also during this period when China also enjoyed remarkable economic growth averaging 9% annually. Though the 1997 Asian financial crisis challenged the enlargement of ASEAN, the association continued to be a model of successful

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(ed.), *ASEAN in a Changed Regional and International Political Economy* (Jakarta: Centre for Strategic and International Studies, 1994), p.129-142; and, N. Ganesan, "Rethinking ASEAN as a Security Community in Southeast Asia", *Asian Affairs : An American review*, Vol.21, No.4, (Winter 1995) , p.210-225. For a analysis of ASEAN security community using theories of international relations, see Rommel C. Banlaoi, "Research on ASEAN as a Security Community: Strengths and Limitations of Realism and Constructivism in Southeast Asian Security Studies" (Paper presented at the annual meeting of the International Studies Association, Town & Country Resort and Convention Center, San Diego, California, USA, Mar 22, 2006) at [http://www.allacademic.com/meta/p99980\\_index.html](http://www.allacademic.com/meta/p99980_index.html)

<sup>11</sup>For an excellent discussion on the limits of the ASEAN Way as a model of regionalism, see Michael Leifer, "The ASEAN Regional Forum: Extending ASEAN's Model of Regional Security", *Adelphi Paper*, No. 320 (London: Oxford University Press, 1996).

<sup>12</sup>Rommel C. Banlaoi, "Security Cooperation and Conflict in Southeast Asia after 9/11: Constructivism, the ASEAN Way and the War on Terrorism" in Amitav Acharya and Lee Lai To (Eds.), *Asia in the New Millennium* (Singapore: Marshall Cavendish Academic, 2004), pp. 32-55 and *Indian Ocean Survey*, Vol. 1, No. 1 (January-June 2005), pp. 49-74.

<sup>13</sup>Jeannie Henderson, *Reassessing ASEAN*, Adelphi Paper No. 328 (London: International Institute for Strategic Studies, 1999), p. 19.

<sup>14</sup>This whole paragraph is culled in Rommel C. Banlaoi, "The Philippines and ASEAN at 40: Achievements, Challenges and Prospects in Regional Security Cooperation", translated to Mandarin at *Southeast Asian Studies: An Academic Journal of Institute of Southeast Asian Studies, Jinan University, China*, Vol. 4 (2007). Also in Rommel C. Banlaoi, *The Philippines in the Age of Terror: National, Regional, and Global Security Challenges in the Post-9/11 World* (London and New York: CRC Press/Routledge and Taylor and Francis, 2009), Chapter 16.

regionalism in Asia amidst globalization.<sup>15</sup> It is very important to note that China helped ASEAN to recuperate from the harsh impact of the 1997 Asian financial crisis by not devaluing its currency. A year before the crisis, China became a full-blown ASEAN dialogue partner in 1996.

To deepen and intensify ASEAN regionalism and further improve the management of inter-state conflicts in Southeast Asia, ASEAN members met in Bali, Indonesia on 7-8 October 2003 for the 9<sup>th</sup> ASEAN Summit. In this summit, ASEAN leaders signed the ASEAN Concord II, which adopts the concept of ASEAN Security Community (ASC) to bring security cooperation in Southeast Asia to a “higher plane”.<sup>16</sup>

The adoption of ASC was a significant landmark in the history of ASEAN regionalism as it formally declared an important mechanism to improve security cooperation in Southeast Asia. The ASC is even regarded as one of the most important innovations of ASEAN regionalism.<sup>17</sup> From an association of states tasked to merely promote economic, social, and cultural cooperation, the ASC has allowed ASEAN to dramatically metamorphose into a regional grouping that promotes security cooperation among its member-states, particularly in the area of defense and military affairs.

With the signing of the ASEAN Charter in 2007, the ASC became Asian Political and Security Community with the creation of the Asian Political and Security Council (APSC). As a result of the ratification of the ASEAN Charter in October 2008 by its ten members, ASEAN adopted in March 2009, at the conclusion of the 14<sup>th</sup> ASEAN Summit, the ASEAN Political-Security Community Blueprint, which provides a roadmap and timetable for ASEAN to establish the APSC by 2015.

From the foregoing, ASEAN response to globalization is deeper regionalism through improved governance of its institutional structures and by widening the scope of regional cooperation encompassing both traditional and non-traditional security issues.<sup>18</sup> Its pivotal achievement towards this effort is the ratification of the ASEAN Charter, which allows institutional and legal frameworks for ASEAN to deepen regional economic integration in the midst of globalization.<sup>19</sup>

The ASEAN Charter, which establishes ASEAN’s juridical personality as an intergovernmental organization, also provides mechanisms for the private sector, the civil society, media, the academe and policy think-tanks to participate in the process of regional community building that is more “people-centered” compared to the present

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<sup>15</sup>Shinji Yamashita and J.S. Eades (Eds.), *Globalization in Southeast Asia: Local, National, and Transnational Perspectives* (New York: Berghahn Books, 2003).

<sup>16</sup>*Declaration of ASEAN Concord II* (7 October 2003).

<sup>17</sup>Rizal Sukma, “Political Development: A Democracy Agenda for ASEAN?” in Donald K. Emmerson (ed), *Hard Choices: Security, Democracy, and Regionalism in Southeast Asia* (Singapore and California: Institute of Southeast Asian Studies and The Walter H. Shorenstein Asia-Pacific Research Center, 2008), pp. 135-149.

<sup>18</sup>Termsak Chalermpanupap, “Institutional Reform: One Charter, Three Communities, Many Challenges” in Donald K. Emmerson (ed), *Hard Choices: Security, Democracy, and Regionalism in Southeast Asia* (Singapore and California: Institute of Southeast Asian Studies and The Walter H. Shorenstein Asia-Pacific Research Center, 2008), pp. 91-134.

<sup>19</sup> Hidetaka Yoshimatsu, “The Challenge of Globalization, Business Interests and Economic Integration in ASEAN” in Hiro Katsumata and See Seng Tan (Eds.), *People’s ASEAN and Government’s ASEAN*, RSIS Monograph No. 11 (Singapore: S. Rajaratnam School of International Studies, 2007), pp.41-49.

state of ASEAN regionalism, which is “regime-oriented”.<sup>20</sup> Its ultimate objective is to establish a region-wide social ownership of the community building process for the eventual development of an ASEAN citizenship. Thus, the ASEAN Charter is “a legally binding blueprint for the future of regionalism in Southeast Asia”<sup>21</sup> that aims to realize ASEAN vision of a truly caring and sharing society.<sup>22</sup>

### **The Global Rise of China's Soft Power And Southeast Asian Regionalism**

Amidst the deepening and widening of ASEAN regionalism in a global age is the utilization of China's soft power in Southeast Asia. China's soft power strategy aims to enhance its relations with ASEAN and with individual Southeast Asian states. An analyst calls this strategy as a “charm offensive”, which is anchored on China's soft power appeal in a global age.<sup>23</sup> Though soft power still lacks conceptual clarity in strictest scholarly standard, there has been a tremendous upsurge of interest in the use of this concept within China's strategic studies and foreign policy community.<sup>24</sup> Scholars around the world have, in fact, been lured to examine China's soft power despite the enormous difficulties to define and measure it.<sup>25</sup> The Chicago Council on Global Affairs even produced the “Soft Power Index” to measure attitudes regarding soft power.<sup>26</sup>

The idea of soft power as a new subject of discourse in international relations originated in 1990 from the seminal work of Joseph Nye.<sup>27</sup> In this work, Nye strongly questioned the view that American power is in decline because of “imperial overstretch” and other factors.<sup>28</sup> He argues that the United States could still wield international influence through its abundant soft power. Nye elaborated his concept of soft power in his 2004 book, *Soft Power: The Means to Success in World Politics*.<sup>29</sup> In this bestselling book, Nye described American soft power as:

<sup>20</sup> For further discussion, see Donald Emmerson, “Critical Terms: Security, Democracy, and Regionalism in Southeast Asia” in his edited volume, *Hard Choices: Security, Democracy, and Regionalism in Southeast Asia*, op. cit, pp. 3-56.

<sup>21</sup> Ibid. p. 34.

<sup>22</sup> See ASEAN Vision 2020 at <http://www.aseansec.org/1814.htm>.

<sup>23</sup> Joshua Kurlantzick, *Charm Offensive: How China's Soft Power is Transforming the World* (New Haven and London: Yale University Press, 2007).

<sup>24</sup> Joel Wuthnow, “The Concept of Soft Power in China's Strategic Discourse”, *Issues and Studies*, vol. 44, no. 2 (June 2008), p. 1.

<sup>25</sup> See for example Frank Vibert, “Soft Power and the Future of International Rule-Making” (Paper presented at the International Colloquium „Global Freedom: The Future of International Governance “ organized by the Liberal Institute of the Friedrich Neumann Foundation, Potsdam, Germany 9 –11 November 2007); Jan Melissen, *Wielding Soft Power: The New Public Diplomacy* (Amsterdam: Netherlands Institute of International Relations, 2005); and Richard J. Samuels, “Soft Power in East Asia” (Paper presented to a conference on Asia's Search for a Security Community and American Common Sense, Washington DC, 20 October 2004).

<sup>26</sup> Christopher B. Whitney and David Shambaugh, *Soft Power in Asia: Results of a 2008 Multinational Survey of Public Opinion* (Chicago, USA: The Chicago Council on Global Affairs, 2008).

<sup>27</sup> Joseph Nye, *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990).

<sup>28</sup> See for example Donald W. White, *The American Century: The Rise and Decline of the United States as a World Power* (New Haven and London: Yale University Press, 1999); John Taft, *American Power: The Rise and Decline of U.S. Globalism, 1918-1988* (New York: Harper & Row, 1989); and, Paul M. Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987).

<sup>29</sup> Joseph Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004).

...”the ability to get what you want through attraction rather than coercion or payments. It arises from the attractiveness of a country's culture, political ideals, and policies. When our policies are seen as legitimate in the eyes of others, our soft power is enhanced”.<sup>30</sup>

Though originally conceptualized to grapple with the “rise and fall” of American influence in world politics, soft power is being widely used to describe the rapid rise of China as one of the world’s major power. It is argued that China is using soft power “to nurture alliances with developing countries to solidify its position in the World Trade Organization, flex its muscles on the world stage and act as a counterbalance to US power.”<sup>31</sup> The use of China’s soft power is particularly noticed in Africa, Latin America and Southeast Asia.

China’s use of its soft power in Southeast Asia is manifested through “non-military inducements” including culture, diplomacy, foreign aid, trade and investment.<sup>32</sup> Through its soft power strategy, China is said to have enhanced its influence in Southeast Asia. As a result, Southeast Asia has recently viewed China as a benign power by adopting a more accommodating, non-threatening, and non-coercive foreign policy in the region. China has even embraced ASEAN regionalism to win friends and influence leaders in Southeast Asia.

But was Southeast Asia really charmed by China’s soft power? While there is no doubt that China is an attractive country because of its long civilization, rich culture and current economic prosperity, Southeast Asia welcomes China’s soft power diplomacy in the region not because of China’s “charm” but due to Southeast Asian states’ hedging behavior. Hedging is “a purposeful act in which a state seeks to insure its long term interests by placing its policy bets on multiple counteracting options that are designed to offset risks embedded in the international system.”<sup>33</sup>

Southeast Asia is hedging with China for pragmatic economic and political reasons: to charm China for aid, trade and investment necessary for national economic prosperity and to constructively engage China for regional stability. Though China’s foreign aid to Southeast Asia is hard to estimate “due to a lack of data and to the unique characteristics of Chinese assistance”, it is observed that China has become one of the largest bilateral aid donors in Southeast Asia, particularly in mainland Southeast Asian states of Cambodia, Laos, and Myanmar.<sup>34</sup> Despite the present global economic crisis, China-ASEAN trade in 2008 reached US\$231.1 billion, which is almost 14% increase

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<sup>30</sup> Ibid.

<sup>31</sup> Johannes Dragsbaek Schmidt, “China’s Soft Power Diplomacy in Southeast Asia”, *The Copenhagen Journal of Asian Studies*, vol. 26 (2008), p. 24.

<sup>32</sup> Thomas Lum, Wayne M. Morrison, and Bruce Vaugh, *China’s “Soft Power” in Southeast Asia* (Washington DC: Congressional Research Service Report for Congress, 4 January 2008).

<sup>33</sup> Kuik Cheng-Chwee, *Rising Dragon, Crouching Tigers? Comparing the Foreign Policy Responses of Malaysia and Singapore Toward a Re-emerging China, 1990-2005*, *BiblioAsia*, vol. 3, no. 4 (January 2008), p. 4.

<sup>34</sup> Lum, Morrison and Vaugh, *China’s “Soft Power” in Southeast Asia*, p. 5.

over the previous year.<sup>35</sup> China is one of the ten major sources of ASEAN foreign direct investment, which totaled around US\$2.3 billion in 2007. China and ASEAN are enhancing their relations on the investment area through the China-ASEAN Expo and the China ASEAN Business and Investment Summit. China and ASEAN are active participants in the East Asia Summit (EAS), which aims to bring the economies of China and Southeast Asia more integrated along with other participants. China and ASEAN are also strategically engaged through the China-ASEAN Dialogue Partnership mechanism, Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF).

Southeast Asia's hedging strategy with China is an expression of ASEAN's limited-bandwagoning practice in recognition of China's growing comprehensive power. As part of its hedging strategy, ASEAN states are also soft-balancing China by engaging other major powers, particularly the United States, Japan and India through its dialogue partnership frameworks and other multilateral mechanisms.

In other words, Southeast Asia has improved its relationship with China as part of ASEAN's hedging behavior. It allowed China's influence in the region in order to reduce the risk of China's growing comprehensive national power. Rather than being charmed by China's soft power, Southeast Asia has, in fact, charmed China through the ASEAN model of regionalism, which China has recently embraced because it converges with the PRC's soft power strategy. ASEAN's commitment to the principle of non-interference to the domestic affairs of other states coincides with China's non-intervention principle. Thus, China acceded to TAC in 2003 because of non-interference or non-intervention principle.

ASEAN's diplomacy of incrementalism is also consistent with China's gradualist foreign policy. China finds this diplomacy "charming" as it bides time to peaceful development. ASEAN's protracted and "brick-by-brick" approach to regional cooperation is appealing to China's "step-by-step" approach based on the old saying, "single step in a thousand mile journey."

### **Pitfalls of China's Soft Power Appeal in Southeast Asia**

China's soft power strategy has encouraged Southeast Asia to constructively and comprehensively engage the PRC. But there are pitfalls in China's use of soft power. Sources of these pitfalls emanate from the still unresolved security issues that bedevil the relationship between China and Southeast Asian states.

One major issue is the South China dispute, which is currently heating up because of baselines controversies. Though China has signed the Declaration on the Conduct of Parties on the South China Sea with claimant states in Southeast Asia as part of its soft power strategy, the PRC continues to use its hard power to assert its territorial claims in the disputed area.

On 10 March 2009, China deployed its largest and most modern naval ship, *Yuzheng 311*, to patrol China's exclusive economic zone and strengthen fishery

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<sup>35</sup> Gao Chuan and Zhang Yongxing, "Interview: Chinese Ambassador to Singapore: China, ASEAN need to enhance co-op to tackle economic downturn", *China View*, 4 March 2009 at [http://news.xinhuanet.com/english/2009-03/04/content\\_10941499.htm](http://news.xinhuanet.com/english/2009-03/04/content_10941499.htm). (accessed on 7 May 2010).

administration in the South China Sea.<sup>36</sup> The deployment of this ship to the South China Sea was in reaction to the US Navy surveillance ship, *Impeccable*, which according to Chinese officials, were navigating illegally in China's territorial waters.

The ship deployment, however, alarmed, rather than charmed, Southeast Asia, particularly the claimant states. It coincided at a time when the Philippines just passed its archipelagic baselines law declaring some parts of the Spratlys as integral part of its territory. China vehemently denounced the Philippine archipelagic baselines law and declared Philippine claim as "illegal" and "invalid."

The deployment of *Yuzheng 311* to the South China Sea was an indication of China's readiness to use its growing hard power when issue of sovereignty is at stake.<sup>37</sup> Despite the general improvement of China-Southeast Asia relations in the post-9/11 era, "issues of sovereignty continue to hit a raw nerve in the ASEAN capitals" and this limit the effectiveness of China's soft power strategy in the region.<sup>38</sup>

In fact, China expressed cognizance of the importance of hard power to advance its national interests when it increased its defense budget in 2009 to almost 15%, which amounts to US\$70 billion. Though this budget is still small compared to the national defense budget of the US, Japan and the European Union, it gave signal to the world and the countries of Southeast Asia that China also pays attention to its hard power resources. Moreover, China's increase of the defense budget occurred in the midst of global financial crisis. This conveys a strong message that China also wants to enhance its hard power despite the present global economic turmoil.

China's use of soft and hard powers at the same time is evident in PRC's ambivalent relations with Vietnam and the Philippines.

China used its soft power when it entered into agreement with Vietnam and the Philippines in 2005 on the Joint Marine Seismic Undertaking (JMSU) in the South China Sea. But the JMSU failed to effectively ameliorate the security dilemma in the South China Sea. While the JMSU aimed to reduce tensions in the area through joint research, it failed to prevent misunderstanding among the contracting parties.

In 2007, tensions occurred between China and Vietnam over the issue of Sansha island in the South China Sea. The PRC State Council declared Sansha as part of the province of Hainan. Vietnam protested, but to no avail as China reiterated its territorial rights and stressed its sovereign power to use force to protect its territories.<sup>39</sup>

In 2008, another tension occurred in the South China involving the Philippines and China on the JMSU issue. Oppositions claimed that the JMSU was a "sell-out" of Philippine territory in exchange of Chinese aid. The issue created a huge national scandal in the Philippines prompting the Philippine government to scrap China-funded projects in the country particularly the National Broadband Network (NBN) project

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<sup>36</sup> The Associated Press, "China sends large patrol boat to South China Sea", *The International Herald Tribune*, 15 March 2009 at <http://www.iht.com/articles/ap/2009/03/15/asia/AS-China-Sea-Patrols.php>. (accessed on 7 May 2010).

<sup>37</sup> There is even a view in the Philippines that China has revived its "gunboat" diplomacy in the South China Sea.

<sup>38</sup> Ian Storey, "Conflict in the South China Sea: China's Relations with Vietnam and the Philippines", *Japan Focus*, 30 April 2008 at <http://www.japanfocus.org/products/topdf/2734>. (accessed on 7 May 2010)

<sup>39</sup> For an excellent analysis of this case, see Ian Storey, "Trouble and Strife in the South China Sea: Vietnam and China", *China Brief*, vol 8, no. 8 (14 April 2008).



worth US\$329.5 million. Even the North Luzon Railway (NorthRail) project, worth US\$503 million, was put on uncertain ground because of the JMSU controversy.<sup>40</sup>

It is argued that the turbulence between China and Vietnam and China and the Philippines over the contested issue of the South China Sea underscored “the limits of Beijing’s so-called ‘charm offensive’ in Southeast Asia”.<sup>41</sup>

Another source of pitfall in China’s use of soft power in Southeast Asia is the issue of Taiwan. As part of its soft power diplomacy in the region, China generously offers foreign aid to Southeast Asia without major conditions. China’s major *quid pro quo* to aid recipients is the strict observance of the “one-China” policy, which excludes Taiwan in the global community of sovereign states. China also encourages aid recipients to support China’s positions in the United Nations.

But the existence of China’s new underground nuclear submarine base on the southern tip of Hainan Island, which is close to vital sea lanes of navigation in Southeast Asia, has raised regional security concerns. Reports show that the Hainan base can accommodate 20 submarines “including a new type of nuclear ballistic missile submarine, and future Chinese aircraft carrier battle groups.”<sup>42</sup> There is a view that this base aims to protect Chinese interests not only in the South China Sea but also in the Taiwan Straits. Analysts argue that the nuclear submarine base underscored Beijing’s interest in projecting power beyond the Taiwan Strait.<sup>43</sup> Chinese security experts even emphasized the strategic importance of the Hainan seas in China’s projection of its influence with a modern naval fleet.<sup>44</sup> The Hainan base is an apparent display of China’s hard power that complements its soft power diplomacy in Southeast Asia in a global age.

The South China Sea and the Taiwan Strait are pitfalls in China’s soft power strategy in Southeast Asia. These issues are sources of China’s hardening of foreign and security policy towards the region. While China continuously uses its soft power by embracing Southeast Asian regionalism to win the hearts and minds of ASEAN states, the PRC also employs its hard power resources on issues that touch its national sensitivities. While China’s use of soft power attracts smaller states to cooperate, China’s use of hard power causes the security anxieties of ASEAN perpetuating the sources of conflicts between China and Southeast Asia. China’s readiness to use its hard power encourages ASEAN states to engage other major powers in order to balance the PRC.

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<sup>40</sup>See Ian Storey, “Trouble and Strife in the South China Sea: The Philippines and China”, *China Brief*, vol. 8, no. 9 (28 April 2008). Also see Renato de Castro, “The Limits of Twenty-First Century Chinese Soft Power Statecraft in Southeast Asia: The Case of the Philippines”, *Issues and Studies*, vol. 43, no. 4 (December 2007), pp. 77-116.

<sup>41</sup>Ian Storey, “Conflict in the South China Sea: China’s Relations with Vietnam and the Philippines”, *Japan Focus* (30 April 2008) at <http://www.japanfocus.org/products/topdf/2734> (accessed on 7 May 2010).

<sup>42</sup>“China’s new naval base triggers US concerns”, *Space War*, 12 May 2008 at [http://www.spacewar.com/reports/Chinas\\_new\\_naval\\_base\\_triggers\\_US\\_concerns\\_999.html](http://www.spacewar.com/reports/Chinas_new_naval_base_triggers_US_concerns_999.html) (accessed on 7 May 2010).

<sup>43</sup> Ibid.

<sup>44</sup> Reuters, “China says US naval ship broke the law”, *ABS-CBN News*, 10 March 2009 at <http://www.abs-cbnnews.com/world/03/10/09/china-says-us-naval-ship-broke-law> (accessed on 7 May 2010).

## Conclusion

In a global age, regionalism has become the coping arm of smaller states to advance their national and regional interests. ASEAN has a brand of regionalism that works not only for its members but also with its dialogue partners. China has embraced Southeast Asian regionalism because it coincides with PRC's use of soft power diplomacy.

Contrary to the analysis of some experts, Southeast Asia was not charmed by China's soft power offensive. Southeast Asia has comprehensively engaged China because of ASEAN's hedging attitude with major powers. In fact, China was the one charmed by ASEAN regionalism as it has proven its worth, despite of some limitations, in promoting cooperation and managing conflicts in Southeast Asia.

Indeed, China is using its soft power to win the hearts and minds of its neighbor. Because soft power has its own pitfalls, China is also using its hard power to assert its sovereignty on sensitive issues. For China, soft and hard powers are not separate but integral parts of its comprehensive national power that Southeast Asian states have to grapple with very deeply.

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